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QUARTERLY REPORT

Regional Agricultural Development Program – West (RADP-W)

Agreement No. AID-306-C-14-00007

Fiscal Year 2014, Quarter 4 - August to September 2014

October 30, 2014

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Acronyms

AISA	Afghanistan Investment Support Agency
AREA	Agency for Rehabilitation and Energy Conservation in Afghanistan
COP	Chief of Party
CHA	Coordination of Humanitarian Assistance
DCA	Dutch Committee for Afghanistan
DCOP	Deputy Chief of Party
KVU	Kabul Vetting Unit
KIP	Key Implementing Partner
PMU	Project Management Unit
RADP-W	Regional Agricultural Development Program-West
USAID	United States Agency for International Development

Project Overview

The Regional Agriculture Development Program-West (RADP-W), is a five year Cost Plus Fixed Fee contract with a period of performance of August 10, 2014 through August 9, 2019. The RADP-W program aims to improve food and economic security for rural Afghans in Badghis, Farah, and Herat provinces. To accomplish this goal, RADP-W focuses on improving the productivity and profitability of the wheat, high value crops, and livestock value chains, while addressing policy, legal and regulatory constraints affecting value chain development. This agricultural development program supports the consolidation of licit economies to fuel sustainable long term economic growth, including providing alternatives to poppy cultivation.

The implementation approach of RADP-W dovetails with Afghan and U.S. government strategies in its focus on advancing food security, regenerating agribusiness, and increasing agriculture sector jobs and incomes. RADP-W aims to strengthen the capacity of producers, associations, traders, and agribusinesses to respond to market demands; facilitate lasting market linkages between value chain actors; and support an enabling environment that allows the private sector to thrive. The program places the Afghan private sector at the forefront of implementation and addresses key crosscutting issues of women's empowerment, agribusiness value chain facilitation, and alternative development in all facets of the program. Embodying the United States Agency for International Development's (USAID) vision for sustainable Afghan-led development, RADP-W lays the foundation for greater and more socially inclusive growth in the agricultural economy.

Startup Implementation

Key Activities Accomplished during the Quarter

In August 2014, seven representatives from Chemonics International traveled to Afghanistan for RADP-W to focus on startup activities related to operations, recruitment, procurement, grants, and work planning. The following activities below the project's startup accomplishments through September 30, 2014.

Startup Operations

Office and Residence Space. The short-term Operations Startup Specialist arrived in Kabul on August 22 to provide startup support for the RADP-W contract which was executed on August 10, 2014. Central to this assignment was establishing office and residence space. Temporary office and residence space was quickly established in both Kabul and Herat to allow the startup team to focus on operations. In Kabul, temporary office and residence space was established at The Baron in order to utilize the available resources from three Afghanistan projects currently being implemented by Chemonics International. This provided the RADP-W startup team with temporary financial assistance while the project was establishing its bank account, as well as the access to key infrastructure and services like meeting rooms, residency rooms for expats, internet as well as invaluable knowledge of in-country operations and requirements. Office space was established within one week of arrival for the work planning team, and systems were put in place for the project's lodging needs.

In Herat, temporary office and residence space was established at the Tejarat Hotel in mid-August in order to accommodate the project's Recruitment Specialist, security personnel, and equipment. Due to vetting requirements, the project had to relocate its temporary operations to

the Nazary Hotel on September 12 in order to avoid exceeding the \$25,000 threshold prior to receiving approval from the Kabul Vetting Unit (KVVU). In order to facilitate this move, the Operations Startup Specialist and DCOP traveled to Herat to negotiate with hotel management, and to establish agreements to accommodate the project's logistical needs. A new temporary office at the Nazary Hotel was quickly established to house the project's personnel, security staff, and equipment. RADP-W continued to operate out of the Nazary Hotel through the end of September 2014.

During this time, the Operations Startup Specialist was evaluating the available options for the project's permanent office and residence space in Herat. Five properties were identified in mid-August that could house up to 10 long-term and short-term expats and office space to accommodate approximately 70 project employees. Site visits were conducted to gauge the availability of these properties, and to determine whether these options would be a viable option for the project's long-term presence in Herat. Among the five properties, two met most criteria required for implementation and security needs. The first property consisted of three separately-owned villas in the city center, and provided most of the project's requirements related to security, budget, and available office and residence space. Due to delays related to obtaining the required vetting documents, as well as concerns related to the required construction and administration of three separate lease agreements, the project determined in mid-September that this property was no longer an option.

The second property, located 17 kilometers outside of the city center in the Herat Industrial Park, was therefore determined to be the best available option. The property is a vacant hotel and consists of three buildings that provide the project with sufficient office and residence space. Negotiations were conducted with the property owner on September 24 and September 28 and were concluded shortly thereafter. Final discussions with the property owner are ongoing and RADP-W anticipates signing the lease agreement. We anticipate the start of the lease agreement to be on or about November 1, 2014 and RADP-W can begin preparing the property for project use.

Vetting for key individuals related to RADP-W's intended contracts, subcontracts, or instruments for non-U.S. recipients over \$25,000 remained a top priority during startup. A total of eight requests related to the project's subcontractors, and office and residence space, were submitted to KVVU in August and September 2014. While only one vetting request for The Baron was approved in September, the project received approval in October for the three expedited requests for the temporary and permanent space in Herat, as well as two project subcontractors. The Operations Startup Specialist worked closely with the DCOP to establish the project's protocol for vetting, and set systems in-place to ensure that the project can accurately track vetting requests and approvals.

Accounting and Project Registration. The project's Director of Finance (key personnel), Farhad Falak, started on September 3, 2014. Working closely with the Operations Startup Specialist, the Director of Finance quickly established the project's finance and accounting system, including September's operating budget, and checks and balances related to finance and procurement. On September 15, 2014, RADP-W received its Afghanistan Investment Support Agency (AISA) license and moved forward with establishing two local bank accounts. Chemonics is sending monthly wire transfers to the project's bank account.

Grants Manual. The project's draft Grants Under Contract Manual, prepared by the short-term Grants and Subcontractor Specialist, was submitted on September 23, 2014 for USAID's review, comments, and approval. The manual provides an overview of the project's grant-

making system, including conceptualization, application, evaluation, implementation, monitoring and evaluation, and close-out procedures. The program envisions three broad categories of grants being awarded under RADP-W: capacity building grants at the farmer productivity and profitability and training level, grants to support and facilitate a wide variety of private sector initiatives in the targeted value chains, and grants specifically geared for women.

Grants will be used to support and facilitate a wide variety of private sector initiatives in the targeted value chains including these illustrative activities:

- On-farm demonstrations, business training, organizational development, marketing, in-kind assistance
- Improving product quality or value, business skills development, trade facilitation (distribution, transportation, packing, packaging), introducing technologies, expanding into new markets
- Creating economic opportunities by supporting launch or expansion of activities that supply inputs and services along value chains; to promote a value chain “breakthrough” (e.g., penetration of an export market, innovation, etc.)
- Supporting market actors with their own initiatives to improve competitiveness and develop/expand the products, services and support they provide to farmers

Procurement

Training. RADP-W’s short-term Procurement Specialist arrived in Afghanistan on September 5 to assist the startup team with conducting initial procurements related to the establishment of the project’s temporary office in Herat, and train project staff to conduct ongoing procurement in accordance with USAID and Chemonics procurement regulations and practices. The Procurement Specialist provided training for the project’s local Procurement Manager, including practical training on procurement routines and USAID regulations. This training focused primarily on the functions associated with the position, as well as the processes required for planning, competition, and selection of awardees. The Operations Startup Specialist provided an overview of the project’s vetting procedure and worked closely with the Procurement Manager to ensure required documentation was included in the project’s request for quotation solicitations. Additionally, templates were drafted by both the Procurement Specialist and the Operations Startup Specialist to assist the Procurement Manager with his responsibilities.

Procurement Highlights. In September, a total of seven procurement requests were received and delivered. These requests included the preparation of a blanket purchase agreement for vehicle fuel, laptops for project staff, a desktop computer to host the project’s accounting software, office supplies for the project’s temporary office in Herat, cell phones, and vehicle maintenance. Additionally, the Procurement Manager is preparing for large-scale procurements related to the establishment of the project’s permanent office and residence, including furniture and support services such as cleaning, food service, utilities, trash, and generator maintenance.

Recruitment

Training. The short-term Recruitment Specialist arrived in Herat on August 25, and was tasked with identifying and onboarding local staff in coordination with the local Human Resources Manager. Additional duties included managing the Herat startup office and training

the local Human Resources Manager in Chemonics' human resource policies. The short-term Recruitment Specialist worked with the local Human Resources Manager for a period of five weeks to select candidates and prepare onboarding documentation. During this period, the local Human Resources Manager was familiarized with how to locate and utilize Chemonics templates and process maps to insure that policies are referenced and adhered to during the life of the project. Notable trainings included familiarization with recruiting and candidate selection procedures, records management, timekeeping, biodatas, prior salary history and education verification, and anti-corruption procedures related to staffing.

Recruitment Highlights Approximately 60 candidates were interviewed during startup, three staff members were hired in September for key operations positions related to finance, procurement and human resources, and an addition 26 staff members were selected for long-term positions once RADP-W establishes the project's permanent office space. Additional onboarding interviews were conducted for candidates identified in the RADP-West proposal as well as detailed reviews of documents related to previous employment, citizenship, and education given the gap in time between proposal submission and the award of the contract. Reference checks were conducted to ensure that top quality candidates join the project. Onboarding packages have been completed for long-term professional staff identified in the RADP-W proposal so that they can begin project implementation once permanent office space is available. Additional recruiting efforts continue to identify and hire remaining staff members.

Training and Orientation

Key Personnel Orientation. In September, RADP-W's COP, Charles Oberbeck, DCOP, John Carrasco, and Compliance Officer, Zoya Kaitova received in-depth training and orientation to Chemonics in Washington, D.C. Prior to their deployment, each staff member was introduced to the project's project management unit (PMU), received updates on Chemonics' systems related for finance and accounting, procurement, compliance, grants and business conduct. In Kabul, the Finance Director received orientation from the Operations Startup Specialist on Chemonics' updated Guide to Field Accounting and Compliance.

Subcontractor Training. During the last week of September, the Grants and Subcontractor Specialist prepared for an in-depth two day capacity building training from RADP-W's Key Implementing Partner (KIP), the Agency for Rehabilitation and Energy Conservation in Afghanistan (AREA). Scheduled for October 1-2, the training touched upon an overview of their Time and Materials subcontract, recruitment and biodata training, procurement for USAID contracts, business conduct, finance and accounting, and invoicing. Next quarter, similar trainings are planned for RADP-W's remaining local KIPs, Coordination of Humanitarian Assistance (CHA) and the Dutch Committee for Afghanistan (DCA).

Work Planning

RADP-West prepared to develop the Year 1 draft work plan of the contract, creating a common understanding of the strategies and specific activities that will need to be implemented in the first year. This required strategic coordination with the key implementing partners and agreement of the goals and technical challenges, as well as a coordinated approach to implementing activities in the first year.

The main objective of the year 1 work planning process was to work with appropriate field staff, key implementing partners, and home office staff to plan and facilitate a 2 day work plan implementation workshop. The workshop objectives were as follows:

- Create a shared vision for RADP-West
- Establish a commitment to achieving project results in the first year and working together productively and effectively
- Strategize on approaches for achieving year 1 results
- Discuss tasks and integrated activities of the first year
- Gather information on relevant value chains for each of the 3 regions
- Define the realities in the field
- Define activities for each sector in Herat, Farah, and Badghis based on context for Year 1

This scope of work involved Work Planning Facilitator Lisa Heintz, who was responsible for liaising with the COP and the Project Management Unit (PMU) Director David Fischer, to set the agenda, selecting appropriate activities, facilitating, and organizing and providing logistical support, both prior to and during and after the workshop.

Prior to arrival in Kabul, the Work Planning Facilitator coordinated with the chief of party and PMU director to build an agenda to meet workshop objectives. The Work Planning Facilitator ensured that the proposed workshop activities addressed cross-cutting needs and supported the overall objectives of the RADP-West project.

Upon arrival in Kabul and prior to the work planning workshop, the Work Planning Facilitator, chief of party and PMU Director collected needed background information to inform the year 1 work plan and to ensure a productive agenda for the work planning workshop. Activities included meetings with:

- RADP- South COP and DCOP to learn lessons from start-up technical activities in the south;
- Three key implementing partners: DCA, AREA, and CHA for introductions and to set expectations for work planning;
- USAID Contracting Officer, the Contracting Officer Representative, and the team supporting RADP-West to agree to the terms of the contract and strategize on the technical approach for RADP-West.

The work planning workshop included the chief of party, deputy chief of party, PMU Director, three representatives from AREA, three representatives from CHA, and one representative from DCA. The workshop took place over one and half days, from September 3-4, on the Baron at the Chemonics office. Full implementation of the work plan will be managed by the field office-based program leaders.

In lieu of a standalone report, the outputs of the Work Planning Workshop were fed directly into two deliverables: 1) The RADP-W Short Term Start Up Work Plan (submitted to USAID on September 13, 2014 and attached as Annex A), and 2) The RADP-W Year One Work Plan draft, submitted to USAID on October 30, 2014.

Year 1 Work Planning Workshop

The specific objectives of the 1 and half day long workshop were to:

Day 1 included introductions, establishment of a shared vision for RADP-West, an introduction to the facilitative value chain, and an analysis of the context of the three sectors: wheat, high value crops, and livestock as well as discussion on results expected and activities needed for the first year in Herat.

Day 2 included similar analysis and discussions for Farah and Badghis. The chief of party concluded the workshop with a plan for next steps and coordination.

Session notes were captured and delivered to project leadership in separate files so that the team can incorporate them into their planning and daily work.

The workshop agenda is included in Annex B.

RADP-W's Weekly Plan Through October. Per USAID's request, RADP-W submitted a temporary work plan on September 13 to highlight the project's weekly goals until the Year 1 Work Plan is submitted at the end of October (see Annex A). The temporary work plan highlighted weekly operational goals related to establishing the project's temporary and permanent office and residence space, recruitment, and establishing short-term contracts with KIPs prior to receiving vetting approval.

Year 1 Work Plan. After attending USAID's kickoff meeting on September 2, and conducting in-depth work planning sessions with RADP-W's KIPs in early September, the COP started drafting the Year 1 Work Plan. RADP-W anticipates submitting the Year 1 Work Plan for USAID's approval by October 30.

Annex A - RADP-W Short-Term Start Up Weekly Plan

RADP-W Short-Term Start Up Weekly Plan Through October

SEPT 13-19

Operations:

Complete background checks and submit vetting docs for Herat compound (Sikander)
Follow up on Herat Tejarat Hotel vetting request submitted on September 12th
Begin process for vetting Herat Nazary Hotel
Follow up on extension request for HO start up personnel submitted on September 12th
Coordinate and push for renewal of AISA license and registration for Chemonics projects (in progress with CO-OP)
Begin process to open a bank account with current documents (missing AISA registry)
Continue conversations and negotiations with compound owner (Sikander)
Continue with staffing and hiring procedures through AKBAR and previously selected candidates
Continue training procurement personnel and preparing procurement plan (RFQs etc...)
Elaborate draft BPAs and RFQ
Will begin to process tax exemption for RADP - W contract (ask COR for support letter)
Begin to work on RADP - W policy manual
Conclude revised RADP -W salary scale and submit to USAID for approval

Technical:

Meet with USAID to define arrangements for collaboration with USAID and other
RADP Projects for PMP
Meet with CHA and AREA to identify need for a ST contract for startup, and if so define
SOW, deliverables, LOE, cost, timing.
Discuss terms of LT contract, expectations, objectives, budget, contract management,
and responsibilities with CHA and AREA
Interviews with additional candidates for M&E Director

SEPT 20-27

Operations:

Continue compound vetting process and conclude lease negotiations with owner
Follow up on Herat Tejarat vetting process
Submit vetting process for Herat Nazary Hotel
Follow up on renewal of AISA license
Follow up and/or continue opening of bank account
Continue with staffing and hiring procedures through AKBAR and previously selected candidates
Continue training of locally and newly hired staff
Revise and update procurement plan and budget
Will include EVF in budget
Continue Tax exemption process of RADP-W contract
Continue drafting policy manual
Draft Grants Manual

Technical:

Submit Baseline and Control Data Plan
Request proposal(s) from DCA for possible ST contract for startup and LT contract
Written communication with CHA and AREA with guidance for preparation of a
proposal for LT contract, focused on LOE, organization of regional office,
scope and organization of field activities, logistics, costs, key personnel
Draft SOW for ST contract, if any, with CHA, DCA, AREA
Interview candidates for M&E director, selection of 2 best candidates
Begin search for Productivity Advisor (lead position), pending USAID approval
COP begins drafting 2014-2015 work plan

SEPT 28-OCT 3

Operations:

Begin vetting procedures with selected scope of vendors for EVF according to procurement/budget plan

Technical:

Prepare ST contracts, if any, with KIP's
Field DCOP, pending USAID approval
Field Compliance Officer
Draft 2014-2015 work plan

OCT 4-10

Operations:

Determine service providers and commodities vendors for compound make ready
according to itemized budget timeline projections
Begin detailing specifications for the issuance of BPAs and RFQs
Revise and modify BPAs and RFQs and when appropriate issue them

Technical

Sign ST contracts (if any) with KIP's and provide orientation and training
as needed in contract administration and reporting
DCOP arrives in Kabul, pending USAID approval, and receives orientation
from Chemonics' COOP administrative unit, meets with USAID and RADP/S
Draft SOWS for LT contracts with CHA, DCA, AREA
Field M&E Director

OCT 11 - 17

Operations:

Continue procurement training and activities
Follow up on Compound as needed

Technical:

Draft LT contracts to CHA, DCA, and AREA for review
Meetings of DCOP with CHA, DCA, AREA to begin defining technical strategies
Supervise CHA, DCA, and AREA in ST work, if needed
Field STTA for development of EMMP

OCT 18-24**Operations:**

Continue procurement

Technical:

COP in Herat

Meetings with CHA, DCA, and AREA on technical strategy, approaches, detailed
detailed implementation planning, COP, DCOP - technical, and M&E director

Meetings with Equal Access to develop communications approach and activities

Coordination with USAID and draft PMP

OCT 25 - 31**Operations:**

Sign lease for Sikander compound, pending approval

Begin make ready

Technical:

Submit 2014-15 Work plan

Field Gender Specialist, Productivity Advisor, Orchard Crops VC Mgr, Team Leaders, and key
technical support

Contracts signed with CHA, DCA, and AREA

Draft SOW for contract with Equal Access

NOVEMBER/DECEMBER

Field Herat technical team

Fully staff KIPs

Compound made ready

Office and residential equipment and supplies procured

Offices in Farah and Badghis developed

MOU's signed with DAIL and MAIL

Baseline Study begun

Meet with provincial and district government

Stakeholders meetings

Design training curriculum

Begin selection of lead farmers

Continued technical training for staff

Develop Gender Strategy

Annex B – RADP-West Work Planning Workshop Agenda

Wednesday, 3 September, 2pm – 4:30pm

Thursday, 4 September, 9am – 4:30pm

Objectives:

- Gather information on relevant value chains for each of the 3 regions
- Define the realities in the field
- Define activities for each value chain in 3 regions based on context for Year 1

Day 1 (Wednesday, Sept. 3)

2pm – 2:15pm	Welcome and overview of workshop Introductions	Lisa
2:15pm – 2:30pm	Overview of project Introduce facilitative value chain approach	Charlie & David
2:30pm – 3:15pm	<p>Topic: Context in Herat, mapping each sector:</p> <ul style="list-style-type: none"> • Wheat • High value crops • Livestock <p>Discussion questions:</p> <ol style="list-style-type: none"> 1. How to identify and organize farmers 2. How to develop demonstration farms in each district 3. Who could we work with 4. What the opportunities and challenges in Herat 	Lisa & group
3:15pm – 3:30pm	Break	
3:30pm – 4:15pm	<p>Topic: Key activities and expected results for Herat</p> <p>Discussion questions:</p> <ol style="list-style-type: none"> 1. What do you think we can accomplish in the first year of work 2. How do we get there 3. What is a realistic timeline 	Lisa & group

Day 2 (Thursday, Sept. 4)

9am – 9:15am	Welcome	
9:15am – 10am	<p>Topic: Context in Farah, mapping each sector:</p> <ul style="list-style-type: none"> • Wheat • High value crops <p>Discussion questions:</p> <ol style="list-style-type: none"> 5. How to identify and organize farmers 6. How to develop demonstration farms in each district 7. Who could we work with 8. What the opportunities and challenges in Farah 	CHA & group
10am – 10:45am	<p>Topic: Key activities and expected results for Farah</p> <p>Discussion questions:</p> <ol style="list-style-type: none"> 1. What do you think we can accomplish in the first year of work 2. How do we get there 3. What is a realistic timeline 	CHA & group
10:45am – 11am	Break	
11am – 11:45am	<p>Topic: Context in Badghis, mapping each sector:</p> <ul style="list-style-type: none"> • Wheat • High value crops • Livestock <p>Discussion questions:</p> <ol style="list-style-type: none"> 1. How to identify and organize farmers 2. How to develop demonstration farms in each district 3. Who could we work with 4. What the opportunities and challenges in Badghis 	AREA, DCA, & group
12pm – 1pm	Lunch	
2pm – 3pm	<p>Topic: Key activities and expected results for Badghis</p> <p>Discussion questions:</p> <ol style="list-style-type: none"> 1. What do you think we can accomplish in the first year of work 2. How do we get there 3. What is a realistic timeline 	AREA, DCA, & group
3pm – 3:30pm	Concluding comments and next steps	Charlie